

Frequently Asked Questions

Deferred Compensation Service Provider Transition Questions

(These FAQs will be updated as needed – please check back periodically for additional information or contact Lyn Howarth, Deferred Compensation Coordinator, at (619) 531-5454 or lyn.howarth@sdcountry.ca.gov)

On July 22, 2008, The Board of Supervisors approved the recommendation that Nationwide Retirement Solutions be awarded the contract as the single service provider for the Deferred Compensation Program for San Diego County.

1. What does the “service provider” do?

- a. The service provider delivers administrative services to the plan and to the participants. The service provider **does not** manage your investments for you – the fund managers of the specific mutual funds that you choose manage your investments.

The service provider delivers administrative services such as keeping track of the investments in your account; making sure that your contributions are put into the funds you have chosen; sending you quarterly statements about your account; answering your questions when you call the 800 help desk number; education seminars, and processing your loan application or distribution request.

2. Why is there a change from the current service providers to Nationwide?

- a. As the single service provider, Nationwide will provide the best value to the County by enhancing plan and participant services for a lower administrative cost. In addition to the services currently available, Nationwide will also provide new and improved participant services including a customized plan website, financial planning services from a Certified Financial Planner, more on-line transaction capabilities, and extended call center hours from 5 am to 8 pm Pacific Standard Time.

3. Does this mean that Hartford and T. Rowe Price go away?

- a. We are only changing the record keeping functions, which will be administered by Nationwide Retirement Solutions. The investment selection process is a separate function from the administration of the plan. Your investment choices currently under Hartford and T. Rowe Price are expected to remain the same through the transition. Any changes to the fund options will be made through the Plan Administrator's (Treasurer-Tax Collector) established investment review and evaluation process.

4. What will happen to my account?

- a. All participant information will be transferred to the new service provider according to a detailed transition plan and timeline. Well in advance of the transition date, you will receive information about the transition process, what to expect, and specific instructions on any actions that may be required by you.

5. What happens if I am retired?

- a. All of your information will be transferred to the new service provider. If you are currently receiving monthly payments, that function will also transfer to Nationwide. Well in advance of the transition date, you will receive information about the transition process. For those of you withdrawing funds from your account, continue to contact your current provider until the transition is complete. Please contact your tax specialist to better understand the tax implications of any transactions. After the transition, you will be contacting Nationwide. If you are retired, you have the option of staying with the plan, rolling your funds in to an IRA or withdrawing your funds at any time.

6. What will happen to my current investments?

- a. Our intention is to keep the current funds from both providers available through the transition. Your current investments are not expected to be sold during the transition process, and any changes to the

fund options will be made through the Plan Administrator's established investment review and evaluation process. You will be notified well in advance of any changes to the investment options. Our primary goal continues to be evaluating and selecting the best in class funds at the lowest cost to participants.

7. When will this transition take place?

- a. We expect the process to take six to nine months. It is our goal to have a smooth transition with a minimal amount of effort needed from plan participants.

8. How can I find out more information?

- a. We will be performing education meetings at various worksites throughout the County to address your questions in person before any transition takes place. We will also be sending out information as the transition progresses. Please call or email Deferred Compensation if you have any questions. Lyn Howarth, the County's Deferred Compensation Coordinator can be reached at 619-531-5454 or at Lyn.howarth@sdcountry.ca.gov

9. Will I lose money in my account?

- a. Any gain or loss in the value of your current investments will be based on market activity, *not the change in service provider*.

10. Will this change cost me any money?

- a. No. There will be no fees, charges or penalties imposed on the plan participants.